

XANADU QUANTUM TECHNOLOGIES LIMITED

AUDIT COMMITTEE CHARTER (the “Charter”)

Purpose

1. The Audit Committee (the “**Committee**”) is a standing committee appointed by the board of directors (the “**Board**”) of Xanadu Quantum Technologies Limited (the “**Company**”). The Committee is established to fulfill applicable public company obligations respecting audit committees and to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting. This includes the responsibility to oversee, among other things as may be delegated by the Board from time to time:
 - (a) the integrity of the Company’s financial statements and financial reporting processes, including the audit process and the Company’s internal control over financial reporting, disclosure controls and procedures, and compliance with other related legal and regulatory requirements;
 - (b) the qualifications and independence of the registered public accounting firm or firms engaged as the Company’s independent outside auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services (“**external auditors**”);
 - (c) the work of the Company’s financial management, internal auditors and external auditors;
 - (d) enterprise risk management, privacy and data security, artificial intelligence risk, and the monitoring of such matters; and
 - (e) the auditing, accounting and financial reporting process generally.
2. In addition, the Committee will prepare, if required, an audit committee report for inclusion in the Company’s management information circular, in accordance with applicable rules and regulations.
3. The function of the Committee is oversight. It is not the duty or responsibility of the Committee or its members to: (a) plan or conduct audits; (b) determine that the Company’s financial statements are complete and accurate and are in accordance with U.S. generally accepted accounting principles (“**GAAP**”); or (c) conduct other types of auditing or accounting reviews or similar procedures or investigations. The members of the Committee are members of the Board. They are appointed to the Committee to provide broad oversight of the financial, risk and control-related activities of the Company, and are specifically not accountable or responsible for the day-to-day operation or performance of such activities. In particular, the member or members identified as Committee financial experts shall not be accountable for giving professional opinions on the internal or external audit of the Company’s financial information.
4. Management is responsible for the preparation, presentation and integrity of the Company’s financial statements. Management is also responsible for maintaining appropriate accounting and financial reporting principles and policies and systems of risk assessment and internal controls and procedures designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized, recorded and reported and to assure the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with accounting standards and applicable laws and regulations. Management is also responsible for monitoring and reporting on the adequacy and effectiveness of the system of internal controls over financial reporting and

disclosure controls and procedures. The external auditors are responsible for planning and carrying out audits of the Company's annual financial statements in accordance with GAAP to provide reasonable assurance that, among other things, such financial statements are in accordance with GAAP.

Procedures of the Committee

5. *Number of Members* – The members of the Committee will be appointed by the Board. The Committee will consist of not less than three Board members.
6. *Independence* – The Committee shall be constituted at all times of “independent directors” who either meet or exceed the independence requirements of the stock exchange(s) that list the Company's share capital (the “**Exchange**”) and meet the criteria for independence set forth in (i) Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), (ii) National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), and (iii) National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), subject to an election by the Company to rely on any available transition period. The Board will consider all relevant facts and circumstances in making a determination of independence for each director and, as appropriate, impose independence requirements more stringent than those provided for by the Exchange and/or NI 58-101 to the extent required by Canadian or U.S. securities laws, including rules and policies promulgated by the United States Securities and Exchange Commission (“**SEC**”) and the Toronto Stock Exchange (“**TSX**”).
7. *Financial Literacy and Other Related Experience* – Each member shall be financially literate within the meaning of applicable requirements or guidelines for audit committee service under securities laws or the rules of the Exchange, including NI 52-110. It is expected that at least one member will have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background, including a current or past position as a principal financial officer or other senior officer with financial oversight responsibilities and will otherwise qualify as an “audit committee financial expert” as defined by applicable rules of the SEC. Further, each member should have reasonably sufficient experience in such other economic, financial, investment or business matters as the Board may deem appropriate.
8. *Service on Other Committees* – No member of the Committee may serve simultaneously on the audit committee of more than two other public companies, unless the Board determines that such simultaneous service will not materially adversely affect the Committee's ability to act independently or to fulfill its mandate in accordance with applicable law.
9. *Appointment and Replacement of Committee Members* – Any member of the Committee may be removed or replaced at any time by the Board and will automatically cease to be a member of the Committee upon ceasing to be a director. The Board will fill any vacancy if the membership of the Committee is less than three directors. Whenever there is a vacancy on the Committee, the remaining members may exercise all of the powers of the Committee as long as a quorum remains in office. Subject to the foregoing, the members of the Committee will be appointed by the Board annually and each member of the Committee will remain on the Committee until the next annual meeting of shareholders after his or her appointment or until his or her successor will be duly appointed and qualified. Committee members shall also receive training as necessary, to increase their understanding of financial, accounting, auditing and industry issues applicable to the Company.
10. *Committee Chair* – Unless a Committee Chair is designated by the Board, the members of the Committee may designate a Chair by majority vote of the Committee. The Committee Chair will

be responsible for leadership of the Committee assignments and reporting to the Board. If the Committee Chair is not present at any meeting of the Committee, one of the other members of the Committee who is present will be chosen by the Committee to preside at the meeting. The Committee will report through the Committee Chair to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.

11. *Meetings* – The Committee will meet regularly and as often as it deems necessary to perform its duties and discharge its responsibilities described herein in a timely manner, but not less than four times a year and any time the Company proposes to issue a press release with its interim period or annual financial results or any other material financial information of the Company. The Committee Chair will approve the agenda for such meetings and any member may suggest items for consideration. Briefing materials will be provided to the Committee as far in advance of meetings as practicable. The Committee will maintain written minutes of its meetings, which will be filed with the meeting minutes of the Board.
12. *Separate Executive Meetings* – The Committee will meet periodically, but no less than quarterly, with the Chief Financial Officer, the head of the internal audit function and the external auditors in separate sessions to discuss any matters that the Committee or any of these groups believes should be discussed privately and such persons will have access to the Committee to bring forward matters requiring its attention. However, the Committee will also meet without management present at each meeting.
13. *Reliance* – Absent actual knowledge to the contrary (which will be promptly reported to the Board), each member of the Committee will be entitled to rely in good faith on: (a) financial statements of the Company represented to the Committee by an officer of the Company or in a written report of the auditor of the Company to present fairly the financial position of the Company in accordance with GAAP; (b) an interim or other financial report of the Company represented to the Committee by an officer of the Company to present fairly the financial position of the Company in accordance with GAAP; (c) a report or advice of an officer or employee of the Company, where it is reasonable in the circumstances to rely on the report or advice; and (d) a report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.
14. *Self-Evaluation* – The Committee will conduct a self-evaluation at least annually to determine whether it and its members are functioning effectively, and report its conclusion to the Board.

Selection and Oversight of the External Auditors

15. The external auditors are ultimately accountable to the Committee and the Board as the representatives of the shareholders of the Company and will report directly to the Committee and the Committee will so instruct the external auditors. The Committee will evaluate the performance of the external auditors and make recommendations to the Board on the reappointment or appointment of the external auditors of the Company to be proposed in the Company's management information circular for shareholder approval and will have authority to terminate the external auditors. If a change in external auditors is proposed, the Committee will review the reasons for the change and any other significant issues related to the change, including the response of the incumbent auditors, and enquire on the qualifications of the proposed auditors before making its recommendation to the Board.
16. The Committee will (a) recommend to the Board for approval the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issue and the compensation of the external auditor and (b) be directly responsible

for the retention and oversight of the work of any registered public accounting firm engaged (including resolution of disagreements between management and the external auditor regarding financial reporting) for the purposes of preparing or issuing an audit report or performing other audit, review or attest services of the Company, and each such registered public accounting firm must report directly to the Committee.

17. Review and approve policies and procedures for the pre-approval of services to be rendered by the external auditors. All permissible non-audit services to be provided to the Company by the external auditors or any of their affiliates that are not covered by pre-approval policies and procedures approved by the Committee will be subject to pre-approval by the Committee. The Committee will have the sole discretion to prohibit the external auditors from providing certain non-audit services to the Company. The Committee will also review and approve disclosures with respect to permissible non-audit services
18. At least annually, the Committee will review the independence of the external auditors and will make recommendations to the Board on appropriate actions to be taken that the Committee deems necessary to protect and enhance the independence of the external auditors. In connection with such review, the Committee will:
 - (a) actively engage in a dialogue with the external auditors about all relationships or services that may impact the objectivity and independence of the external auditors;
 - (b) require that the external auditors submit to it on a periodic basis, and at least annually, a formal written statement delineating all relationships between the Company and any of its subsidiaries, on the one hand, and the external auditors and their affiliates on the other hand and to the extent there are relationships, monitor and investigate them;
 - (c) ensure the rotation of the lead (and concurring) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by applicable law;
 - (d) consider whether there should be a regular rotation of the external audit firm itself; and
 - (e) consider the auditor independence standards promulgated by applicable auditing regulatory and professional bodies.
19. The Committee will establish and monitor clear policies for the hiring by the Company of employees and partners or former employees and partners of the current and former external auditors.
20. The Committee will require the external auditors to provide to the Committee, and the Committee will review and discuss with the external auditors, all reports which the external auditors are required to provide to the Committee under rules, policies or practices of professional or regulatory bodies applicable to the external auditors, and any other reports which the Committee may require. Such reports will include:
 - (a) a description of the external auditors' internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review, or Canadian Public Accountability Board and/or Public Company Accounting Oversight Board ("PCAOB") inspection, of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one

or more independent audits carried out by the external auditors and any steps taken to deal with any such issues; and

- (b) before an audit commences, a report describing: (i) the proposed audit scope, approach, timing, process used to identify risks and reporting such risk to the Committee and the independence of all critical accounting policies and practices to be used in the annual audit; (ii) all alternative treatments of financial information within GAAP related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors; and (iii) other material written communication between the external auditors and management, such as any management letter or schedule of unadjusted differences.

- 21. The Committee will (i) annually review the experience and qualifications of the audit team and review the performance of the external auditors, including assessing their professional skepticism, effectiveness and quality of service, and (ii) every five years perform a comprehensive review of the performance of the external auditors over multiple years to provide further insight on the audit firm, its independence and application of professional standards.

Appointment and Oversight of Internal Auditors

- 22. The appointment, terms of engagement, compensation, replacement or dismissal of the internal auditors will be subject to prior review and approval by the Committee. When the internal audit function is performed by employees of the Company, the Committee may delegate responsibility for approving the employment, term of employment, compensation and termination of employees engaged in such function (other than with respect to the head of the Company's internal audit function).
- 23. The Committee will obtain from the internal auditors, and will review, summaries of the significant reports to management prepared by the internal auditors, or the actual reports if requested by the Committee, and management's responses to such reports.
- 24. The Committee will, as it deems necessary or appropriate, communicate with the internal auditors with respect to their reports and recommendations, the extent to which prior recommendations have been implemented and any other matters that the internal auditors bring to the attention of the Committee. The head of the internal audit function will have unrestricted access to the Committee.
- 25. The Committee will, annually or more frequently as it deems necessary or appropriate, evaluate the internal auditors, including their activities, organizational structure, independence, objectivity, qualifications and effectiveness.

Oversight and Monitoring of Audits

- 26. The Committee will review with the external auditors, the internal auditors and management the audit function generally, the objectives, staffing, locations, coordination (reduction of redundant efforts) and effective use of audit resources, reliance on management and the internal auditors and general audit approach and scope of proposed audits of the financial statements of the Company and its subsidiaries, the overall audit plans, the responsibilities of management, the internal auditors and the external auditors, the audit procedures to be used and the timing and estimated budgets and staffing of the audits.
- 27. The Committee will meet periodically with the internal auditors to discuss the progress of their activities, any significant findings stemming from internal audits, any changes required in the

planned scope of their audit plan and any difficulties or disputes that arise with management in the course of their audits, including any restrictions on the scope of their work or access to required information, and the adequacy of management's responses in correcting audit-related deficiencies.

28. The Committee will review with management the results of internal and external audits, including a draft of the external auditor's report and the matters required to be communicated to the Committee by the external auditors under applicable standards adopted by the PCAOB and approved by the SEC from time to time.
29. The Committee will provide an open avenue of communication between the external auditors, the internal auditors, the Board and management and take such other reasonable steps as it may deem necessary to satisfy itself that the audit was conducted in a manner consistent with all applicable legal requirements and auditing standards of applicable professional or regulatory bodies.

Oversight and Review of Accounting Principles and Practices

30. The Committee will, as it deems necessary or appropriate, oversee, review and discuss with management, the external auditors and the internal auditors (together and separately as it deems necessary), among other items and matters:
 - (a) the quality, appropriateness and acceptability of the Company's accounting principles, practices and policies used in its financial reporting, their consistency from period to period, changes in the Company's accounting principles or practices and the application of particular accounting principles and disclosure practices by management to new or unusual transactions or events;
 - (b) all significant financial reporting issues, estimates and judgments made in connection with the preparation of the financial statements, including the effects of alternative methods within GAAP on the financial statements and any "second opinions" sought by management from an external auditor with respect to the accounting treatment of a particular item;
 - (c) any material change to the Company's auditing and accounting principles and practices as recommended by management, the external auditors or the internal auditors or which may result from proposed changes to applicable GAAP;
 - (d) the extent to which any changes or improvements in accounting or financial practices, as approved by the Committee, have been implemented; and
 - (e) the effect of regulatory and accounting initiatives on the Company's financial statements and other financial disclosures.
31. The Committee will review and resolve disagreements between management and the external auditors regarding financial reporting or the application of any accounting principles or practices.

Oversight and Monitoring of Internal Controls Over Financial Reporting

32. The Committee will, as it deems necessary or appropriate, exercise oversight of, review and discuss with management, the external auditors and the internal auditors (together and separately, as it deems necessary):

- (a) the adequacy and effectiveness of the Company's internal controls, including internal controls over financial reporting and disclosure controls and procedures, and any related significant findings and recommendations of the external auditor and internal auditors together with management's responses thereto;
 - (b) any significant deficiencies or material weaknesses in internal control over financial reporting or disclosure controls and procedures;
 - (c) the risk of management's ability to override the Company's internal controls;
 - (d) any fraud, of any amount or type, that involves management or other employees who have a significant role in the internal control over financial reporting; and
 - (e) management's compliance with the Company's processes, procedures and internal controls.
33. The Committee will establish procedures for: (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Oversight and Monitoring of Financial Reporting and Disclosure

34. The Committee will:
- (a) review with the external auditors and management and recommend to the Board for approval the audited financial statements and the notes and management's discussion and analysis accompanying such financial statements, the Company's annual report and any financial information of the Company contained in any prospectus, information circular or any other disclosure document or regulatory filing of the Company;
 - (b) review with the external auditors and management each set of interim period financial statements and the notes and Management's Discussion and Analysis accompanying such financial statements and any other disclosure documents or regulatory filings of the Company containing or accompanying financial information of the Company and approve such filings (if delegated by the Board); and
 - (c) review the disclosure regarding the Committee required to be included in any publicly filed or available document by applicable securities laws or regulations or stock exchange rules or requirements.

Such reviews will be conducted prior to the release of any summary of the financial results or the filing of such reports with applicable regulators.

35. Prior to their distribution or public disclosure, the Committee will discuss earnings press releases, as well as financial information and guidance, it being understood that such discussions may, in the discretion of the Committee, be done generally (e.g., by discussing the types of information to be disclosed and the type of presentation to be made) and that the Committee need not discuss in advance each earnings release or each instance in which the Company gives guidance.

36. The Committee will oversee compliance with the requirements of applicable securities laws or rules for disclosure of auditors' services, engagements and independence of external auditors and audit committee member qualifications and activities.
37. The Committee will receive and review the financial statements and other financial information of material subsidiaries of the Company and any auditor recommendations concerning such subsidiaries.
38. The Committee will meet with management to review the process and systems in place for ensuring the reliability of public disclosure documents that contain audited and unaudited financial information and their effectiveness.

Oversight of Finance Matters

39. The Committee will:
 - (a) review periodically the capital structure of the Company, and, when necessary, recommend to the Board transactions or alterations to the Company's capital structure;
 - (b) review and make recommendations to the Board concerning the financial structure, condition and strategy of the Company and its subsidiaries, including with respect to annual budgets, long-term financial plans, corporate borrowings, investments, capital expenditures, long-term commitments and the issuance and/or repurchase of securities;
 - (c) review and discuss with management, and ultimately approve and oversee, as applicable, the Company's investment and asset allocation policies and guidelines, as well as the Company's compliance with any such investment and asset allocation policies and guidelines, including past and expected future performance, both in the context of financial returns (e.g., capital appreciation or preservation) and risk mitigation;
 - (d) periodically review matters pertaining to the Company's material policies and practices respecting cash management and material financing strategies or policies or proposed financing arrangements and objectives of the Company;
 - (e) periodically review the Company's major financial risk exposures (including foreign exchange and interest rate) and management's initiatives to control such exposures, including the use of financial derivatives and hedging activities;
 - (f) review and approve special transactions or expenditures as specifically delegated by the Board to a committee thereof or to one or more Company directors, officers or other employees;
 - (g) review and discuss with management all material off-balance sheet transactions, arrangements, obligations (including contingent obligations), leases and other relationships of the Company with unconsolidated entities, other persons, or related parties (subject to section 47), that may have a material current or future effect on the Company's financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves, or significant components of revenues or expenses;
 - (h) review and discuss with management any equity investments, acquisitions and divestitures that may have a material current or future effect on the Company's financial condition,

changes in financial condition, results of operations, liquidity, capital resources, capital reserves, or significant components of revenues or expenses;

- (i) review and discuss policies, procedures and practices with respect to risk identification, assessment and management, including appropriate guidelines and policies to govern the process, as well as the Company's major enterprise risk exposures and the steps management has undertaken to control them;
- (j) review and discuss with management the Company's effective tax rate, adequacy of tax reserves, tax payments and reporting of any pending tax audits or assessments, and material tax policies and tax planning initiatives; and
- (k) review the Company's pension or similar retirement arrangements, management and obligations, as applicable.

Risk Oversight, Privacy and Cybersecurity

40. The Committee will annually (or as more frequently as the Committee deems necessary or appropriate):
- (a) review and discuss with management and monitor the adequacy and effectiveness of: (i) management's program, including policies and guidelines, to identify, assess, manage, and monitor major enterprise risks of the Company, including financial, operational, privacy, security, business continuity, sustainability (including climate change), artificial intelligence, legal and regulatory, and reputational risks, as well as those risks that would threaten the Company's business, current or potential future licenses, future performance, solvency or liquidity; (ii) management's risk management decisions, practices and activities; (iii) reports from management and others, including without limitation, internal audit, regarding compliance with item (i) above; and (iv) the adequacy and appropriateness of management's response to, including the implementation thereof, the matters and findings, if any, in the reports referenced in item (iii) above; and
 - (b) review, discuss with management and assess (including Board recommendations, as necessary) the Company's privacy and cybersecurity risk exposures, including, but not limited to: (i) the potential impact of those exposures on the Company's business, operations and reputation; (ii) the steps management has taken to monitor and mitigate such exposures across all functions and Company connections with third parties and the Company's cybersecurity insurance coverage; (iii) the Company's information governance and cybersecurity policies and programs and management's efforts to build a culture of sensitivity to cybersecurity concerns; (iv) security breach incidence reports and incident response protocols, including crisis management and disaster recovery plans; (v) Company disclosures regarding cybersecurity risks, (vi) the Company's cybersecurity strategy, including the allocation of Company resources to management of cybersecurity risks; and (vii) major legislative and regulatory developments that could materially impact the Company's privacy and cybersecurity risk exposure; and
 - (c) review and discuss with management (including Board recommendations, as necessary) the adequacy of the Company's insurance coverage.

Committee Reporting

41. The Committee will report regularly to the Board regarding the execution of the Committee's duties, responsibilities and activities, as well as any issues encountered and related recommendations and recommend to the Board that the audited financial statements be included in the Company's applicable annual report.
42. The Committee will also report to the Board annually regarding the oversight and receipt of certifications from applicable management confirming compliance with certain applicable laws, regulations or rules and certain Company policies and practices, in each case as the Committee deems necessary or appropriate.

Additional Authority and Responsibilities

43. Each member of the Committee will have full access to the Company's internal auditors, the Board, corporate executives, the external auditors, and all books, records, facilities and other personnel of the Company as deemed necessary or appropriate by any member of the Committee to discharge such member's responsibilities hereunder.
44. The Committee will have the authority to engage independent counsel and other advisers, hire and terminate special legal, accounting, financial or other consultants to advise the Committee at the Company's expense, in each case, as it determines necessary or appropriate to carry out its duties and without consulting with, or obtaining prior approval from, any officer of the Company or the Board. The Committee may ask members of management, including, without limitation, the applicable member of management responsible for enterprise risk management, or others, including, without limitation, Company employees or the chairperson or any other designated member of any other committee, to attend meetings or provide information as necessary. The Committee will also have the authority to ask the Company's external auditors to attend meetings or provide information as necessary, and the Company's external auditors will have direct access to the Committee at their own initiative.
45. The Company will provide appropriate funding for the payment of compensation to the external auditors as determined by the Board on the advice of the Committee, independent counsel and other advisors engaged by the Committee as determined by the Committee, as well as funding for the payment of ordinary administrative expenses that, as determined by the Committee, are necessary or appropriate in carrying out its duties.
46. The Committee will review and/or approve any other matter specifically delegated to the Committee by the Board and undertake on behalf of the Board such other activities as may be necessary or desirable to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting and perform such other functions as assigned by law or the Company's constating documents.
47. The Committee will review and approve in advance or ratify any proposed related-party transactions and required disclosures of such in accordance with applicable securities laws and regulations and consistent with any related-party transaction policy of the Company, to the extent such policy exists, and report to the Board on any approved transactions.
48. The Committee will discharge its responsibilities, and will assess the information provided by the Company's management and the external advisers, in accordance with its business judgment. Members are entitled to rely, absent knowledge to the contrary, on the integrity of the persons and organizations from whom they receive information, and on the accuracy and completeness of the

information provided. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject under applicable law. This Charter is not intended to change or interpret the constating documents of the Company or applicable law or stock exchange rule to which the Company is subject, and this Charter should be interpreted in a manner consistent with all such applicable laws and rules.

49. The Board may, from time to time, permit departures from the terms of this Charter, either prospectively or retrospectively. This Charter is not intended to give rise to civil liability on the part of the Company or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

Review and Disclosure

The Committee will review and reassess the adequacy of this Charter periodically and otherwise as it deems appropriate and amend it accordingly. The performance of the Committee will be evaluated with reference to this Charter.

The Committee will ensure that this Charter is disclosed on the Company's website and that this Charter or a summary of it which has been approved by the Committee is disclosed in accordance with all applicable securities laws or regulatory requirements.

Dated this 25th day of March, 2026.